

2008

First Midwest Bancorp, Inc.

Lehman Brothers

New York

September 8, 2008

# Forward Looking Statements

This presentation may contain, and during this presentation our management may make statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Forward-looking statements include, among other things, statements regarding our financial performance, business prospects, future growth and operating strategies, objectives and results. Actual results, performance or developments could differ materially from those expressed or implied by these forward-looking statements. Important factors that could cause actual results to differ from those in the forward-looking statements include, among others, those discussed in our Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission, copies of which will be made available upon request. With the exception of fiscal year end information previously included in our Annual report on Form 10-K, the information contained herein is unaudited. Except as required by law, we undertake no duty to update the contents of this presentation after the date of this presentation.

# First Midwest: Chicago's Premier Independent Company

- I. Who We Are
- II. Loan Portfolio and Credit Quality
- III. Opportunities and Advantages
- IV. Our Priorities
- V. Why Invest

# I. Who We Are

## Chicago's Premier Independent Company

Premier Franchise	Premier Bank For Commercial	Premier Bank For Retail
<ul style="list-style-type: none"><li>➤ \$8.3 billion assets</li><li>➤ \$5.8 billion deposits<ul style="list-style-type: none"><li>-64% core</li><li>-90% Suburban Chicago</li></ul></li><li>➤ \$5.2 billion loans</li><li>➤ \$4.5 billion trust/investment aum</li></ul>	<ul style="list-style-type: none"><li>➤ Seven product lines</li><li>➤ 25,000 commercial</li><li>➤ 1,600 trust relationships</li><li>➤ 180 relationship managers</li><li>➤ Tenured sales force and market presence</li></ul>	<ul style="list-style-type: none"><li>➤ 238,000 retail relationships</li><li>➤ 1,000 bankers</li><li>➤ 102 offices</li><li>➤ 6<sup>th</sup> largest distribution network in MSA</li></ul>

## A Suburban Chicago Franchise



**Mission**

**People**

**Business Lines**

**Commercial**

**Retail**

*And Market Opportunity*

**Organizational Control**

- **Credit Quality**
- **Efficiency**

## Created A Strong Financial Foundation

- Sustained Profitability
- Solid Capital
- Stable Liquidity

## 2008 Second Quarter Highlights

	2Q08	1Q08	% Change
Net Interest Income	\$54.5	\$49.4	10%
Fee Based Revenues	\$24.0	\$23.3	3%
Expenses	\$49.9	\$49.3	1%
Net Income	\$27.0	\$25.0	8%
ROA	1.33%	1.25%	6%
EPS (diluted)	\$.56	\$.52	8%
Loans	\$5,182	\$5,046	3%; 12% Ann
Net Interest Margin	3.58%	3.53%	1%

## Profitability - Well Above Peer Second Quarter 2008

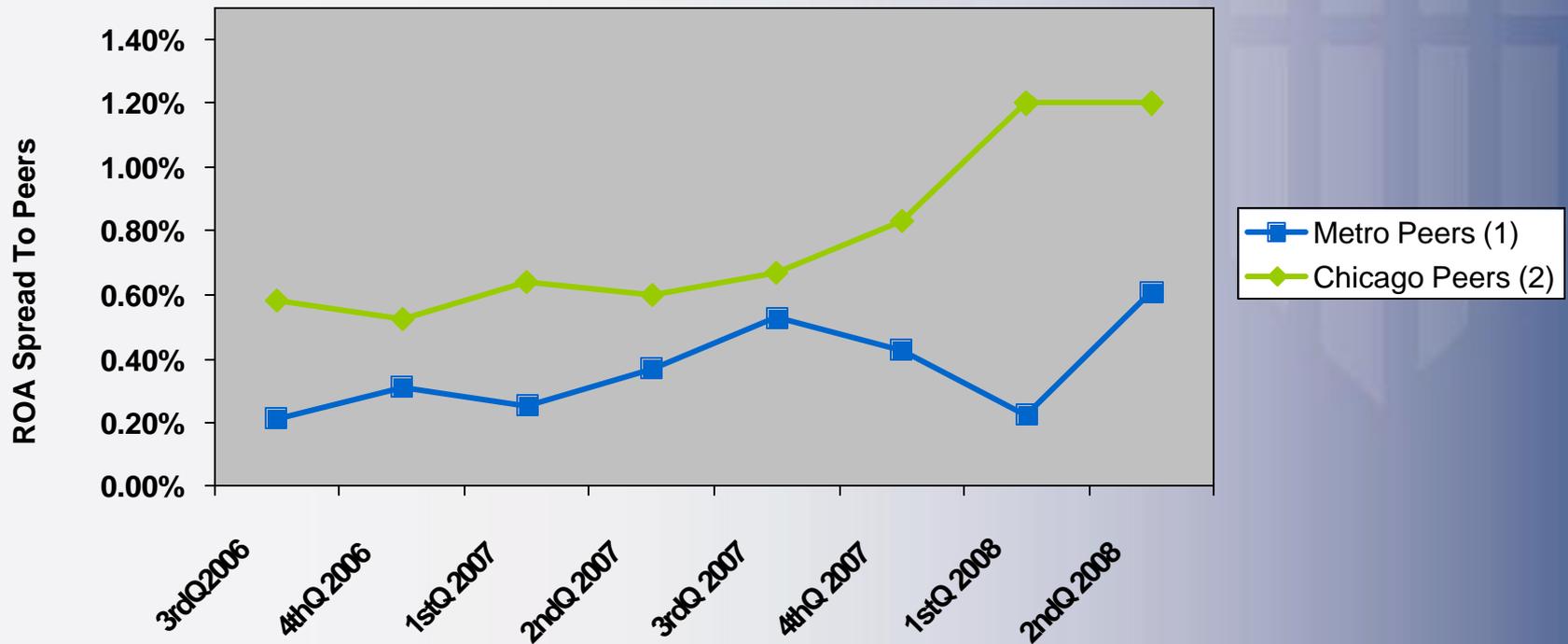
	First Midwest	Metro Peers <sup>(1)</sup>	Chicago Peers <sup>(2)</sup>
ROAA	1.33%	0.84%	0.26%
ROAE	14.6%	9.0%	2.6%
Net Margin	3.58%	3.51%	2.89%
Efficiency	51.7%	61.6%	69.3%

Data represents the peer median core performance for 2ndQ08 as obtained from SNL Financial.

(1) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.

(2) The Chicago Peers consist of AMFI, CORS, MBFI, MBHI, OSBC, TAYC, and WTFC.

# Sustained Profitability Premium



Data represents the peer median core performance as obtained from SNL Financial.

- (1) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.  
 (2) The Chicago Peers consist of AMFI, CORS, MBFI, MBHI, OSBC, TAYC, and WTFC.

# Capital Metrics Second Quarter 2008

	First Midwest	Metro Peers <sup>(1)</sup>	Chicago Peers <sup>(2)</sup>
Tier 1	9.3%	9.5%	8.7%
Total Capital	11.9%	11.8%	10.5%
Tangible Equity w/o OCI <sup>(3)</sup>	5.90%	6.1%	5.8%
Dividend Yield	6.60%	3.61%	2.43%
Dividend Payout	55%	59%	29%

Investment grade ratings for First Midwest: S&P and Fitch – BBB+; Moody's – A3.

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(1) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.

(2) The Chicago Peers consist of AMFI, CORS, MBFI, MBHI, OSBC, TAYC, and WTFC.

(3) Represents ratio of tangible equity to tangible assets excluding other comprehensive income

## Stable Liquidity

- Strong Core Deposit Base
  - Transactional Deposits Represent 70% of Total Loans
  - 19% Demand Deposits as a % of Total Core Deposits
  - Nominal Brokered Deposits
- \$2.2 Billion Securities Portfolio Provides Availability
- Diversified Wholesale Sources

## II. Our Loan Portfolio and Credit Quality

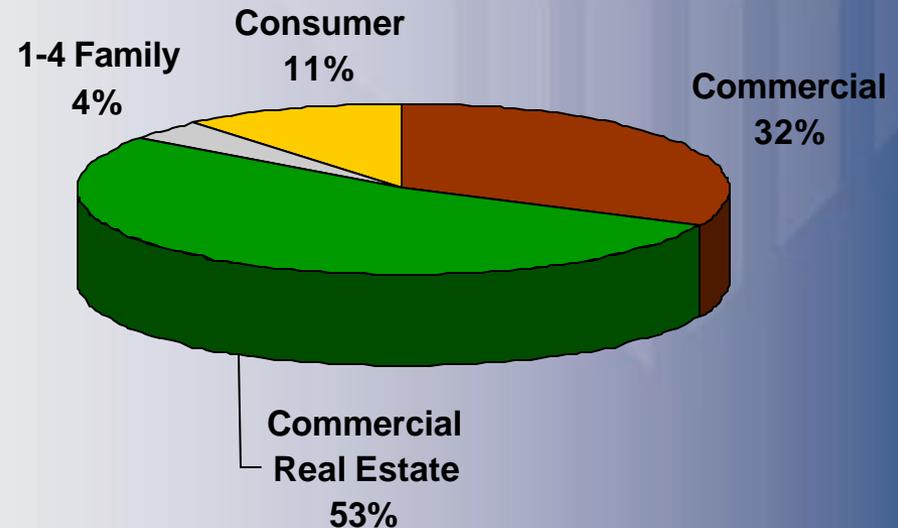
## Portfolio Distribution<sup>(1)</sup>

### Consumer

- Home Equity Dominated
- Conservative
- Minimal 1-4; No Subprime
- No Retail Credit Card

### Corporate

- Diversified
- Granular
- 96% In Market
- No National Syndications



## Consumer Real Estate<sup>(1)</sup>

	Home Equity	1-4 Family Loans
Balances	\$461 million	\$213 million
Delinquency	2.76%	2.74%
Loss Rate	0.46%	0.25%
Balances > 90% LTV	\$30 million, 7%	\$27 million, 13%

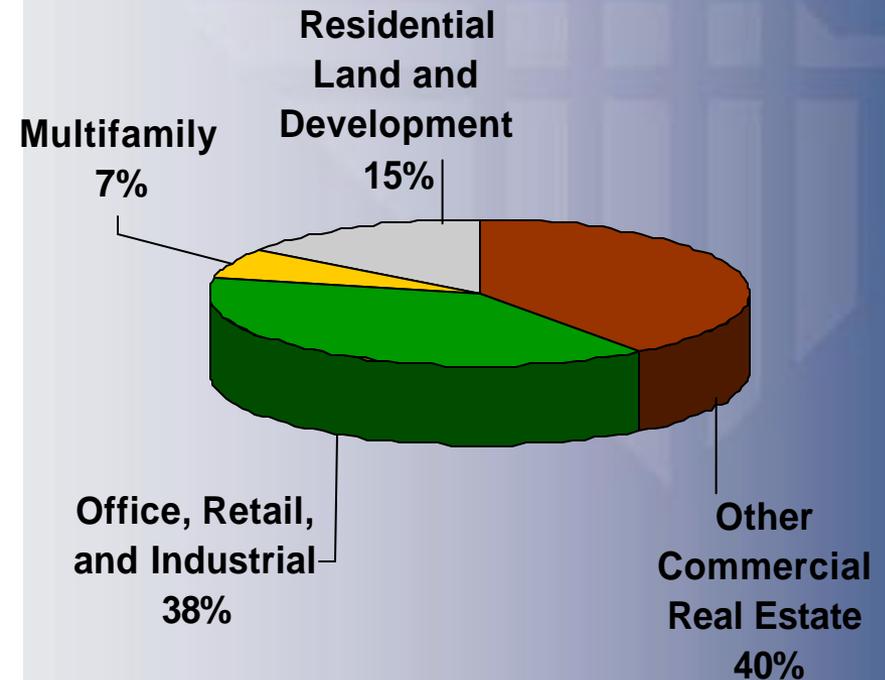
(1) As of June 30, 2008

## Commercial Real Estate<sup>(1)</sup>

- Centrally Underwritten > \$1MM
- Tenured Business Line
- 24% = Owner Occupied
- Granular Exposure

### Residential Land And Development

- 50% Land / 50% Improved Land
  - 65% LTV on Vacant Land
  - 75% LTV on Improved Land



## Credit Quality<sup>(1)</sup>

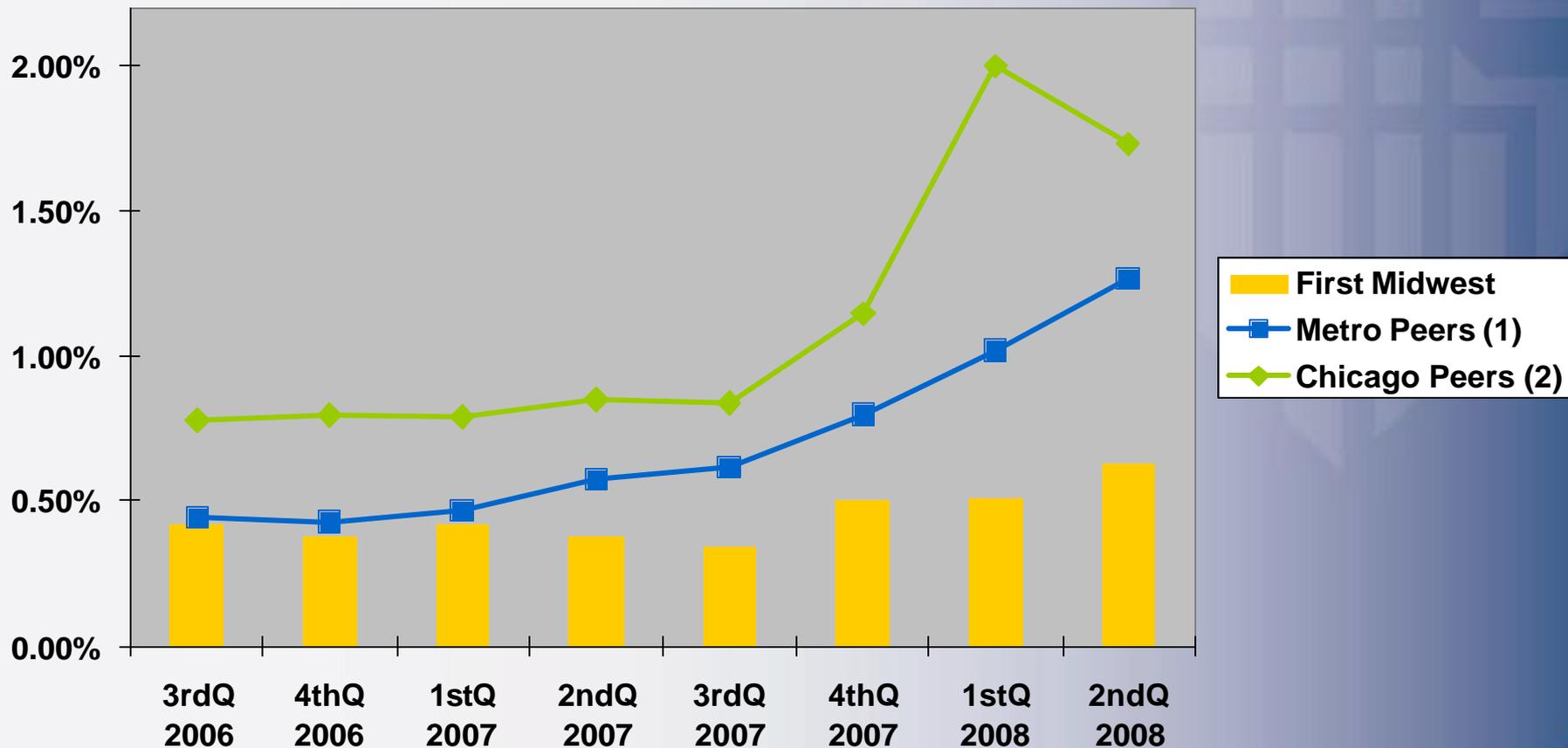
	First Midwest	Metro Peers <sup>(2)</sup>	Chicago Peers <sup>(3)</sup>
Loan Loss Reserve/Loans	1.28%	1.24%	1.38%
Charge-off's To Average Loans	0.35%	0.42%	0.35%
Nonperforming Assets/Loans	0.63%	1.21%	1.65%
Reserve/NPA's	2.6x	.9x	0.7x

(1) Data as of June 30, 2008.

(2) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.

(3) The Chicago Peers consist of AMFI, CORS, MBFI, MBHI, OSBC, TAYC, and WTFC.

## Sustained Asset Quality Premium



(1) The Metro Peers consist of AMFI, BOKF, CBSH, CFR, FCF, FULT, MBFI, ONB, PBKS, SUSQ, UCBH, VLY, WTNY, and WTFC.

(2) The Chicago Peers consist of AMFI, CORS, MBFI, MBHI, OSBC, TAYC, and WTFC.

## Environmental Challenges and Approach

- Economic Challenges
  - Housing Deflation
  - Slowing Job Growth
  - Trends Lessened Locally vs. National and Midwest
- Continued Pressure On Residential Construction and Development

## Environmental Challenges and Approach

- Be Proactive
  - Accelerated Review Cycle
  - Lever Market Knowledge
- Requires Assessment Of Holding vs. Liquidation Costs
  - Manage Relationship By Relationship
  - Retention of Owner/Agent

# III. Opportunities and Advantages

## Lever Our Strengths

- Solid Capital and Earnings Generation
- Mission and Relationship Based Sales Process
- Market Opportunities Exist
  - LaSalle/Chase Disruptions
  - Competitor Limitations

**Mission**

**People**

**Business Lines**

**Commercial**

**Retail**

**And Market Opportunity**

**Organizational Control**

- **Credit Quality**
- **Efficiency**

## Mission: A Strategic Client Approach

- Value Added Relationship Banking Framework
- Needs Driven Product Solutions
- Long Term Process Of Creating Financial Independence

## Our People

- Tenured and Experienced
- Community Based
- Motivated
  - Compensation Alignment
- Organizational Development
  - Ingrained Culture
  - Integrated Succession Focus

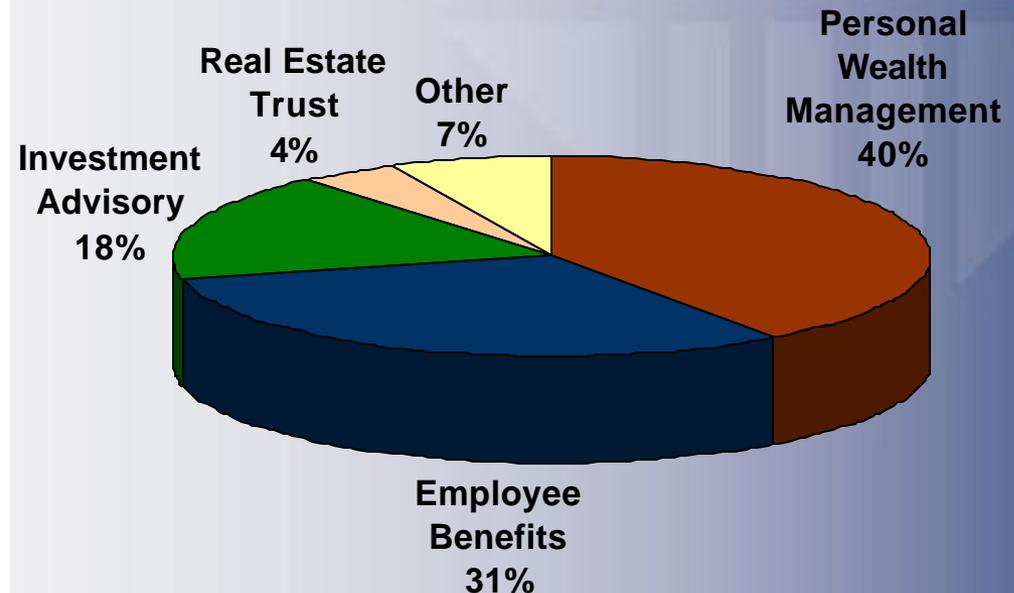
## Premier Bank For Commercial

- Robust Relationship Driven Sales Force
  - 180 Relationship Managers
  - Community Based w/ Strong Referral Networks
  - 800 Relationship Plans
  - Team-Based Delivery
- All Executed In Attractive Markets
  - Majority Of Business Activity Is In Our Footprint
- Market Disruption Creates Opportunities

## Trust Assets Under Management

### Highlights<sup>(1)</sup>

- \$4.0 Billion In Assets Under Management
- 4<sup>th</sup> Largest In State
- Strong Sales
  - 6% AUM Growth
  - 5% Revenue Growth
  - Executed Through Commercial



(1) As of June 30, 2008.

## Chicagoland's Premier Bank For Retail

- **Focused Sales**
  - 84 Offices, 6<sup>th</sup> Largest Suburban Branch Presence
  - 1,000 Retail Bankers
  
- **Strong Core Deposit Base**
  - #12 Market Share
  - 64% Core Transactional, 19% Demand
  
- **Competitive Advantage**
  - Local, Tenured In Markets
  - Stable and Trusted
  - Targeted Promotion

## First Midwest's Marketplace: A Midwest Dominator

	<b>FMB Footprint <sup>(1)</sup></b>	<b>2<sup>nd</sup> Strongest <sup>(2)</sup></b>	<b>Midwest <sup>(3)</sup></b>	<b>% Difference</b>
Population	<b>6,100,000</b>	<b>3,200,000</b>	<b>2,100,000</b>	<b>190%</b>
Projected 5-Yr Population Growth	<b>4.3%</b>	<b>4.8%</b>	<b>3.4%</b>	<b>26%</b>
Average Household Income	<b>\$86,000</b>	<b>\$80,000</b>	<b>\$69,000</b>	<b>25%</b>
Median Income Producing Assets	<b>\$54,000</b>	<b>\$48,000</b>	<b>\$36,000</b>	<b>50%</b>
Homeowners	<b>77%</b>	<b>74%</b>	<b>69%</b>	<b>12%</b>

Source: Claritas 2008 Estimates

(1) FMB Footprint represents every county in the Chicago area where a FMB branch is present: DuPage, Kane, Lake, McHenry, Will, and suburban Cook counties in Illinois and Lake County in Indiana.

(2) Minneapolis MSA as defined by US Census Bureau.

(3) Represents median of 10 Midwest MSA's.

## IV. Our Priorities

## Our Priorities

- Stay Focused
- Concentrate On Weakening Credit Sectors
- Sustain Our Sales
- Communicate Our Superior Relative Value

## Our Plan

- **Funding Base Expansion**
  - Focus on Core Deposit Growth
  - Liquidation of Securities To Support Loan Growth
  - Diversified Wholesale Sources
  
- **Asset Quality Management**
  - Loan Loss Reserves Expanded
  - Identified Credit Risks
  
- **Capital Formation**
  - Superior Profitability
  - Increase tangible capital
  - Control Expense
  
- **Concentrate on Sales**

## VI. Why Invest?

## We Are Positioned To Outperform

- Cycle Will Turn and We Have The Foundation
  - Fewer Distractions
  - Financial Strength
- We Can Pursue Opportunities and Growth
  - Invest In Ourselves
  - Organically And Through Acquisition, As Opportunities Arise

# Questions

# To Request Additional Information Please Contact:

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# Appendix

Unaffiliated (Dollar amounts in thousands)	As Of			6/30/08 % Change From		
	6/30/08	% of total	3/31/08	6/30/07	3/31/08	6/30/07
<b>Loan Portfolio Composition</b>						
Loan portfolio composition:						
Commercial, industrial, and agricultural	\$ 1,656,161	32.0%	\$ 1,597,279	\$ 1,558,876	14.7%	6.2%
Commercial real estate:						
Office, retail, and industrial	1,048,547	20.2%	1,020,403	905,483	11.0%	15.8%
Residential land and development	418,455	8.1%	413,531	431,635	4.8%	(3.1)%
Multifamily	195,815	3.8%	188,474	205,821	15.6%	(4.9)%
Other commercial real estate	1,107,122	21.3%	1,054,143	1,011,265	20.1%	9.5%
Total commercial real estate <sup>(1)</sup>	2,769,939	53.4%	2,676,551	2,554,204	14.0%	8.4%
Consumer:						
Home equity	460,581	8.9%	459,068	467,471	1.3%	(1.5)%
Real estate 1-4 family	213,295	4.1%	224,895	206,506	(20.6)%	3.3%
Other consumer	82,379	1.6%	87,972	122,801	(25.4)%	(32.9)%
Total consumer	756,255	14.6%	771,935	796,778	(8.1)%	(5.1)%
Total loans <sup>(2)</sup>	\$ 5,182,355	100.0%	\$ 5,045,765	\$ 4,909,858	10.8%	5.5%

**Commercial Real Estate Detail**

**Office, Retail, and Industrial**

Loans by product type <sup>(3)</sup> :						
Office	\$ 337,424	32.2%	\$ 326,107	\$ 270,029	13.9%	25.0%
Retail	281,942	26.9%	279,612	232,988	3.3%	21.0%
Industrial	429,181	40.9%	414,684	402,466	14.0%	6.6%
Total office, retail, and industrial	\$ 1,048,547	100.0%	\$ 1,020,403	\$ 905,483	11.0%	15.8%

**Residential Land and Development**

Loans by product type:						
Structures	\$ 220,680	52.7%	\$ 212,369	\$ 255,388	15.6%	(13.8)%
Land	197,775	47.3%	201,162	176,247	(6.7)%	12.2%
Total residential land and development	\$ 418,455	100.0%	\$ 413,531	\$ 431,635	4.8%	(3.1)%

**Other Commercial Real Estate**

Loans by product type:						
Commercial land	\$ 381,013	34.4%	\$ 365,246	\$ 273,615	17.3%	39.3%
1-5 family investors	165,445	14.9%	166,684	153,032	(3.0)%	8.1%
Service stations and truck stops	120,670	10.9%	117,592	72,532	10.5%	66.4%
Warehouses and storage	79,580	7.2%	71,421	54,385	45.7%	46.3%
Hotels	67,574	6.1%	59,082	66,012	57.5%	2.4%
Restaurants	47,313	4.3%	48,147	41,750	(6.9)%	13.3%
Medical	43,347	3.9%	42,912	13,841	4.1%	213.2%
Automobile dealers	37,562	3.4%	30,934	27,784	85.7%	35.2%
Mobile home parks	25,217	2.3%	23,481	24,526	29.6%	2.8%
Recreational	15,106	1.4%	16,243	17,791	(28.0)%	(15.1)%
Religious	11,362	1.0%	11,291	11,296	2.5%	0.6%
Other <sup>(3)</sup>	112,933	10.2%	101,110	254,701	46.8%	(55.7)%
Total other commercial real estate	\$ 1,107,122	100.0%	\$ 1,054,143	\$ 1,011,265	20.1%	9.5%

<sup>(1)</sup> 24% of total commercial real estate loans are owner occupied as of June 30, 2008.

<sup>(2)</sup> Substantially all loans that are over \$1 million are to customers within our market as of June 30, 2008.

<sup>(3)</sup> Certain loans presented here as of June 30, 2007 were subsequently redistributed to more appropriate categories.

<i>Unaudited</i>	As Of					
	(Dollar amounts in thousands)	6/30/08	% of Category	% of Total	3/31/08	6/30/07
<b>Asset Quality</b>						
Nonaccrual loans:						
Commercial, industrial, and agricultural .....	\$	5,222	0.32%	7.4%	\$ 6,770	\$ 8,815
Office, retail, and industrial .....		1,125	0.11%	1.6%	730	-
Residential land and development .....		11,664	2.79%	16.7%	4,081	540
Multifamily .....		3,016	1.54%	4.3%	1,361	294
Other commercial real estate .....		885	0.08%	2.9%	255	2,101
Consumer .....		3,324	0.44%	4.7%	3,876	3,177
Total nonaccrual loans .....		25,236		36.0%	17,073	14,927
Restructured loans .....		259		0.4%	140	-
Total nonperforming loans .....		25,495		36.4%	17,213	14,927
Other real estate owned .....		7,042		10.1%	8,607	3,683
Total nonperforming assets .....	\$	32,537		46.5%	\$ 25,820	\$ 18,610
90 days past due loans (still accruing interest):						
Commercial, industrial, and agricultural .....	\$	4,530	0.27%	6.5%	\$ 3,926	\$ 2,458
Office, retail, and industrial .....		2,855	0.27%	4.1%	2,182	907
Residential land and development .....		17,181	4.11%	21.1%	17,438	5,006
Multifamily .....		2,071	1.06%	2.9%	2,332	6,281
Other commercial real estate .....		2,925	0.26%	7.6%	2,451	1,457
Consumer .....		7,948	1.05%	11.3%	5,150	3,524
Total 90 days past due loans .....		37,510		53.5%	33,479	19,633
Total nonperforming assets plus 90 days past due loans .....	\$	70,047		100.0%	\$ 59,299	\$ 38,243
<b>Asset Quality Ratios</b>						
Nonperforming loans to loans .....		0.49%			0.34%	0.30%
Nonperforming assets to loans plus foreclosed real estate .....		0.63%			0.51%	0.38%
Nonperforming assets plus loans past due 90 days to loans plus foreclosed real estate .....		1.35%			1.17%	0.78%
Reserve for loan losses .....	\$	66,104			\$ 64,780	\$ 62,391
Reserve for loan losses to loans .....		1.28%			1.28%	1.27%
Reserve for loan losses to nonperforming loans .....		259%			376%	418%

<i>Unaudited</i>	Quarters Ended					
	(Dollar amounts in thousands)	6/30/08	% of Category	% of Total	3/31/08	6/30/07
<b>Charge-off Data</b>						
Net loans charged-off:						
Commercial, industrial, and agricultural .....	\$	2,380	0.14%	53.4%	\$ 3,188	\$ 1,252
Office, retail, and industrial .....		31	0.00%	0.7%	-	-
Residential land and development .....		138	0.03%	3.1%	559	18
Multifamily .....		830	0.42%	18.6%	842	119
Other commercial real estate .....		116	0.01%	2.6%	673	(78)
Consumer .....		961	0.13%	21.6%	818	459
Total net loans charged-off .....	\$	4,456		100.0%	\$ 6,080	\$ 1,770
Quarter-to-date net loan charge-offs to average loans (annualized) .....		0.35%			0.49%	0.14%
Year-to-date net loan charge-offs to average loans (annualized) .....		0.42%			0.49%	0.19%